

AMENDED IN SENATE JUNE 26, 2003

AMENDED IN ASSEMBLY JUNE 3, 2003

AMENDED IN ASSEMBLY MAY 15, 2003

AMENDED IN ASSEMBLY APRIL 24, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1527

**Introduced by Assembly Member Frommer
(Coauthors: Assembly Members Chan, Koretz, and Salinas)**

February 21, 2003

An act relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1527, as amended, Frommer. Health care coverage.

Under existing law, a small employer, as defined, may participate on a voluntary basis in a program to provide health care coverage to its employees. Existing law, the Medi-Cal program, provides health care benefits to eligible beneficiaries, and the Healthy Families Program, which is administered by the Managed Risk Medical Insurance Board, arranges for the provision of health care services to eligible children and their uninsured parents.

This bill would declare the Legislature's intent to increase the number of Californians who have affordable, high quality health care coverage by implementing specified programs.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. It is the intent of the Legislature to increase the
2 number of people in California who have affordable, high quality
3 health care coverage by doing all of the following:

4 (a) Establishing a “pay or play” system under which an
5 employer with 51 or more employees is required either to provide
6 quality health care coverage that includes prescription drug
7 benefits for his or her employees and their dependents or to pay a
8 fee so that his or her employees and their dependents may obtain
9 coverage from a statewide pool.

10 (b) Establishing a purchasing pool to be operated by the
11 Managed Risk Medical Insurance Board to provide health care
12 coverage for employees and their dependents of employers who do
13 not provide coverage directly.

14 (c) Maximizing federal financial participation in health care
15 coverage for individuals eligible for the Healthy Families
16 ~~Program and the Medi-Cal programs~~ *program* through a premium
17 assistance program that allows eligible employees to enroll in
18 employment-based *health* coverage with reimbursement from the
19 state for the employee’s share of the premium and for the cost of
20 any benefits or services required by those programs that are not
21 covered under the employer’s plan.

22 (d) Providing assistance to small employers for the cost of
23 ~~covering~~ *providing coverage* to their employees and to employees
24 who cannot afford their share of the premium costs. For those
25 employers who are not subject to the “pay or play” requirements,
26 assistance would be intended to serve as an incentive to purchase
27 coverage.